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DEPT FOR H: PLEASE PASS TO CODEL ISAKSON

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SUBJECT: SCENESETTER FOR CODEL ISAKSON

Welcome and Introduction  
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¶1. (SBU) Mission warmly welcomes CODEL Isakson to Rwanda. Your visit to Rwanda comes at an excellent time in U.S.-Rwandan relations. The U.S. Government has a deep partnership with Rwanda on a wide range of bilateral, regional and global issues such as fighting the spread of the global scourges of HIV/AIDS and malaria, expanding economic development, and assisting Rwanda's democratic structures. Rwandans deeply appreciate that the United States is the largest bilateral aid donor operating in Rwanda, with over \$234 million in development and military assistance in FY08. In the course of your stay, you will have the opportunity to speak with senior Rwandans on key development and health issues, work with average Rwandans on a community improvement project, visit an innovative health program site, and visit the principal genocide memorial.

¶2. (SBU) Although Rwanda is a highly stable country, it is still struggling to overcome the legacy of the devastating 1994 genocide when upwards of one million Rwandans lost their lives, and the nation's infrastructure, economy and society were terribly damaged. Many measure of social progress fell precipitously. In April, the Government commemorated the 15th anniversary of the tragedy. The Rwandan government (GOR) remains deeply committed to educating its people, and expanding nation-wide access to health care with the help of the USG's PEPFAR and President's Malaria Initiative (PMI) programs. It seeks to forge national unity through the reconciliation of Rwanda's ethnic groups. It has made great strides in restoring security and establishing the underpinnings for a developing democracy. The economy has been largely rebuilt and Rwanda is seeking to position itself as "the Singapore of Africa." Yet much remains to be done if Rwanda is to meet the aspirations of its growing population. We are working with the Government of Rwanda (GOR) to implement a three-year, \$25 million Millennium Challenge Corporation (MCC) Threshold Country Plan, as a potential prelude to a full MCC compact of economic assistance. End introduction.

Health  
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¶3. (SBU) Global Health: Rwanda is one of 15 "focus countries" under the President's Emergency Plan for AIDS Relief (PEPFAR). The national HIV prevalence rate is approximately 3.0 percent (3.6 percent for women, 2.3 percent for men). A 2005 survey suggests that women are contracting HIV/AIDS at a younger age than men, and that for both sexes prevalence in urban areas is approximately three times higher than in rural areas. Through PEPFAR and Global Fund support,

Rwanda has increased the number of facilities offering services for prevention of mother-to-child transmission from 53 to 318, and voluntary counseling and testing from 44 to 13345. Rwanda has achieved 70 percent coverage of those in need of anti-retroviral treatment. This is one of the highest rates in sub-Saharan Africa, and can be directly linked to the significant geographic expansion of HIV/AIDS services. Rwanda has also completed a national roll-out of performance-based financing as an incentive for improved health care delivery, and built the capacity of local organizations to manage and implement HIV/AIDS programs. FY08 PEPFAR funding for Rwanda exceeded \$123 million. FY09 funding is expected to be at similar levels. The RDF has been a leader in HIV/AIDS programs for military forces in Qbeen a leader in HIV/AIDS programs for military forces in Africa, and has several innovative programs underway to protect its men and women.

14. (SBU) Malaria: In addition, Rwanda is a President's Malaria Initiative (PMI) country. In 2006, the number of uncomplicated malaria cases treated in public sector health facilities was 1.3 million. By mid-FY08, it decreased to 900,000 cases. Given this reduced incidence malaria has now dropped down to third place as the leading cause of morbidity and mortality among children under five in Rwanda. Much of this success is attributed to the use of indoor-residual spraying and insecticide-treated bed nets funded by USAID. During FY08, a spraying campaign treated 200,000 houses or more than 900,000 people (approximately 10 percent of the population). PMI funding for in FY08 was \$17 million; FY09 funding is expected at similar levels. The Mission also implements successful programs in child survival, maternal and child health, reproductive health and family planning. These programs have annual budgets of \$11.8 million.

#### Democracy and Governance Assistance

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#### 15. (SBU) Millennium Challenge Corporation Country Threshold

Program: Rwanda was selected in 2006 for the Threshold program. The GOR Country Plan was approved by the MCC Investment Committee in July 2008; the final agreement was signed in October 2008. USAID is in the process of procuring four projects (supporting the police, strengthening the media, aiding civic participation, and developing the justice sector) to implement the three-year, \$25 million Threshold Country Program. The Program is intended to improve Rwanda's scores on three MCC Ruling Justly indicators: civil liberties, political rights and voice and accountability.

16. (SBU) Democracy and Governance Programs: IN addition to the Threshold program, other USG programs focus on local government and reconciliation. We are supporting decentralized governance through an innovative program to achieve health and governance objectives by acting to improve local government's capacity to manage funds and deliver high quality health services. This program is complemented by capacity building programs for local civil society organizations. On rule of law issues, we are helping the Ministry of Justice and other government officials to improve the quality of draft legislation. We also support provision of legal aid services to the poor and other vulnerable groups, helping to ensure equitable access to justice. We have funded youth radio for peace and reconciliation through a Great Lakes regional initiative that has enabled youth to take an active role contributing to peace and reconciliation in their communities. A new project implemented by the National Democratic Institute (NDI) is working with political parties to build their capacity for the 2010 elections.

#### Economic Development and US Investment

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17. (SBU) Economic Development: Fifteen years after the genocide, daunting development challenges remain. The Rwandan economy is small and relatively isolated. There is

poor infrastructure and a lack of a trained workforce. The economy remains largely dependent upon foreign aid (roughly half of its budget comes from donors). 85 percent of families earn their living through subsistence agriculture and a majority of households live below the poverty line of 250 Rwandan francs a day (about \$0.45). The recent world-wide economic downturn has begun to affect Rwandan exports, reduce remittances, and impact tourist revenues. The GOR is working with the IMF and the donor community to proactively address the financial and economic impact of the crisis.

¶18. (SBU) Nonetheless, Rwanda achieved an average GDP growth rate of 6 percent over the past six years. In 2008, the GDP grew 11.2 percent to approximately \$4 billion. Inflation has risen substantially given high energy costs and large donor inflows, though efforts to reduce the cost of electricity are underway. Exports are dominated by coffee, tea and minerals which in 2008 represented \$200 million, or 70 percent of total exports. Tourism earned an additional \$243 million in foreign exchange during the year. Additionally, the GOR seeks to establish Rwanda as a regional economic hub bridging the Francophone west and Anglophone east. It has achieved major improvements in the areas of tax collection, banking, trade agreements, anti-corruption, and fiscal policy. It has Qtrade agreements, anti-corruption, and fiscal policy. It has improved infrastructure throughout the country, and maintained a low corruption rate relative to neighboring countries.

¶19. (SBU) U.S. Investment: In February 2008, President Bush and President Kagame signed a Bilateral Investment Treaty aimed at encouraging investment and trade between the United States and Rwanda. In March 2009, American energy company Contour Global signed a \$325 million project with the GOR to extract methane gas from Lake Kivu to provide 100MW of electricity to the national grid. This is the largest foreign private sector investment in Rwanda's history and promises to significantly improve the availability and cost of electricity. Other American investments include interest in tea, coffee, and mining, including the recent purchase of the Karongi Tea Estate by a US investment group for approximately USD 15 million (making it the second US-owned tea estate in Rwanda).

¶10. (SBU) Poverty Reduction: The GOR has made efforts, with measurable results, to reduce poverty, despite its severely limited resources. It has focused considerable resources and attention on the agricultural sector, improving farm production and income, and greatly enhanced the quality of farm to market roads and the distribution of health centers and schools in rural areas. It has also implemented plans for the prevention, protection, and reintegration of the 7,000 street children in the country (out of 4.8 million children). These include vocational training to promote self-reliance through development of income-generating skills. Rwanda completed the Highly Indebted Poor Country (HIPC) debt relief initiative and the Multilateral Debt Relief Initiative in 2006. Completion of these two debt initiatives significantly reduced its overall debt, freeing significant funds for social programs. Rwanda continues to face challenges to food security from cyclic rainfall shortages.

¶11. (SBU) Coffee: U.S. support for coffee production has transformed the sector. Over the past eight years, the USG has invested an estimated \$12 million in promoting and developing the Rwandan coffee industry, building and rehabilitating coffee washing stations, training farmers and "cuppers" (coffee tasters), organizing cooperatives, encouraging banks to lend to Rwandan investors to build coffee washing stations, and improving rural infrastructure. Today, Rwandan coffee has become known as one of the "best of the best" coffees in the world. Rwanda exported 4,200 tons of specialty coffee in 2008.

#### Domestic Issues -----

¶12. (SBU) Political Issues: In 2003, President Kagame was

elected to a seven-year term with 95 percent of the vote. He is eligible to compete for one more term in 2010. In September 2008, Rwanda held Parliamentary (Chamber of Deputies -- 80 members) elections, with the ruling Rwanda Patriotic Front and its six coalition partners winning 79 percent of the vote. Additionally, Rwanda has the highest percentage of women parliamentarians (55 percent) in the world. The elections were peaceful and orderly, with a heavy turnout. Although some constitutional and regulatory restrictions on political party operations remain in place, and use of broadly-worded criminal statutes sanctioning "divisionism" and "genocide ideology" concern the human rights community, a June 2007 law liberalized political party operations. Other human rights concerns include lingering restrictions on a free press, a judicial system still hampered by capacity limitations, and a developing civil society that must satisfy extensive licensing requirements. Pending legislation may loosen many restrictions on civil society, and to a lesser degree on the press; their final form will be determined in the course of the next several months.

¶13. (SBU) Justice and the Genocide: Over one million suspected "genocidaires" (those who participated in the 1994 genocide) are the subject of judicial inquiry by the "gacaca courts," a traditional system modernized and expanded by the GOR. Over 99 percent of the pending cases have been adjudicated by approximately 3,000 gacaca courts. The gacaca service is optimistic it can finish all cases including appeals by the end of 2009. The GOR decreed in 2007 that gacaca prisoners would serve their suspended and community service sentences first, and return to prison at a later date. Since this decision, the large prison population has diminished, alleviating crowded and unsustainable conditions. While a small number of the most serious genocide offenders will continue to be judged by the regular courts, the gacaca courts represent the principal attempt by the GOR to achieve justice and reconciliation -- a difficult policy balance -- given Rwanda's history of ethnic animosities. It will likely take years to assess the impact of the gacaca trials on national reconciliation. It is clear, however, that not all of those who were convicted of crimes are repentant. Addressing lingering animosity and resentment will take several generations.

#### Regional Issues

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¶14. (SBU) Relations with Neighbors: Relations between Rwanda and the DRC are better now than at any time in the recent past, with both sides seeing the benefits of collaborating to combat the sources of regional instability. The joint January 20- February 25 military operation ("Umoja Wetu" or "Our Unity") had both political and military objectives. Politically, it reinvigorated ties between the two countries, which are back on track to re-establish diplomatic relations, and restored a level of trust and confidence between the governments and their respective populations. On the military front, the Congolese Army (FARDC) and the Rwanda Defence Forces (RDF) worked well together to address the FDLR and lessen it as a threat to the Congolese population and to Rwanda. During the five-week long operation, over 750 FDLR cadre were killed or returned voluntarily to Rwanda under a demobilization/reintegration program, which degraded the FDLR capabilities in North Kivu. The FDLR, however, still has the capacity to be a negative force in the region and has regained some of the areas it lost during the joint operation. The two governments continue their intensive bilateral discussions under what is referred to as the "Four Plus Four" rubric. The USG-facilitated Tripartite-Plus Joint Commission, which met most recently in December 2008 in Kigali, continues to provide a venue for further discussions on regional security cooperation; the next meeting will be in Lubumbashi, DRC. Elsewhere in the region, Uganda and Rwanda enjoy their most positive relations in years, and the simmering internal political problems in Burundi show signs of improvement.

¶15. (SBU) Peacekeeping Mission in Darfur: The RDF now ranks as the sixth largest troop contributor to UN peacekeeping operations worldwide. The RDF currently has four battalions (3200 troops) deployed in Darfur with the United Nations African Mission in Darfur (UNAMID), and has 254 troops in Khartoum under the UN Mission in Sudan (UNMIS). The USG has been providing logistical and training support for the Rwandan contribution to peacekeeping efforts in Sudan since initial deployment in August 2004. American contractors under the Africa Contingency Operations Training Assistance (ACOTA) program (Rwanda became a full ACOTA partner in June 2006) have conducted training for nearly twenty battalions in preparation for the Darfur deployments. We provided \$30 million in 2008 in new equipment for these battalions as well as established a peacekeeping simulation center. The USG has provided airlift of equipment and personnel to Darfur many times. The RDF has been quite critical at times of the U.N. bureaucracy, particularly on the subject of equipment transport to Darfur. With the recent completion of Rwanda General Karenzi Karake's service as Deputy UNAMID Commander, the GOR has put forward the name of Lt. General Patrick Nyamvumba for the overall command slot. He is an experienced, respected senior officer who in his present position as head of logistics for the RDF is well-acquainted with the mission in Darfur and the operational requirements and challenges.

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